

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	FY 2009 REQUEST	GOVERNOR RECOMMENDS FY 2009
OASDHI Taxes	\$ 147,162,200	\$ 160,981,795	\$ 160,336,311	\$ 166,362,788
Missouri State Employees' Retirement System	234,559,368	265,487,908	264,323,916	270,264,483
Teacher Retirement Contributions	2,499,808	3,540,560	3,540,560	3,540,560
Deferred Compensation	11,105,962	11,996,571	11,914,559	11,916,359
Unemployment Benefits	4,086,562	4,038,458	4,017,364	4,017,996
Missouri Consolidated Health Care Plan	360,603,852	349,456,848	410,388,436	389,998,427
Workers' Compensation	21,974,701	21,638,780	21,536,684	21,782,151
Other Employer Disbursements	2,976,058	862,002	862,002	862,002
TOTAL	\$ 784,968,511	\$ 818,002,922	\$ 876,919,832	\$ 868,744,766
General Revenue Fund	506,122,241	511,060,457	548,301,279	546,980,426
Federal Funds	143,621,317	158,710,521	172,238,307	165,529,733
Other Funds	135,224,953	148,231,944	156,380,246	156,234,607

FRINGE BENEFITS

CONTRIBUTION TO OASDHI TAXES

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on the salaries of all state employees, with the exception of employees of the state universities and four-year colleges. These funds are transferred to a contribution fund for matching payments to the Social Security Administration.

Fiscal Year 2009 Governor's Recommendations

- \$5,051,896 for increased costs to the state for social security benefits due to pay plan, including \$2,774,492 general revenue.
- \$1,761,618 for new staff statewide, including \$1,422,103 general revenue.
- \$301,102 for costs associated with retention and recruitment pay increases, including \$296,957 general revenue.
- \$46,198 for costs associated with repositioning, including \$22,946 general revenue.
- \$26,506 for increased costs to the state for social security benefits due to increases recommended by the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$19,822 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$1,180,665) core reduction from the Fiscal Year 2008 appropriation level, including (\$123,168) general revenue.
- (\$645,484) transferred to various departments for contractual services.

CONTRIBUTION TO MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM

The State of Missouri provides an employer funded retirement program for employees through a contribution of a specified percentage of members' wages to the Missouri State Employees' Retirement System. Included in the state's contribution is a payment per month, per eligible employee to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

Fiscal Year 2009 Governor's Recommendations

- \$7,318,461 for increased costs to the state for retirement benefits due to pay plan, including \$4,732,963 general revenue.
- \$2,819,640 for new staff statewide, including \$2,506,807 general revenue.
- \$530,765 for costs associated with retention and recruitment efforts, including \$523,458 general revenue.
- \$81,437 for costs associated with repositioning, including \$40,448 general revenue.
- \$46,724 for increased costs to the state for retirement benefits due to increases recommended by the Missouri Citizens' Commission on Compensation for Elected Officials.
- \$35,758 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$4,892,218) core reduction from the Fiscal Year 2008 appropriation level, including (\$3,028,120) general revenue.
- (\$1,163,992) transferred to various departments for contractual services.

TEACHER RETIREMENT CONTRIBUTIONS

Section 104.342, RSMo, provides that the Commissioner of Administration shall requisition monthly and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. Certified teachers involved are employed by the Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, Department of Corrections, and remain members of the PSRS.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

FRINGE BENEFITS

DEFERRED COMPENSATION PROGRAM

The Missouri State Public Employees Deferred Compensation Commission was created by Sections 105.900 to 105.927, RSMo, to encourage employees to supplement the Missouri State Employees' Retirement Plan and their Social Security. Participation in the Deferred Compensation Plan doubled after the \$25 per month match was legislated in 1996.

Fiscal Year 2009 Governor's Recommendations

- \$1,800 State Facility Maintenance and Operation Fund for increased costs to the state for deferred compensation benefits due to pay plan for staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$82,012) transferred to various departments for contractual services.

DISBURSEMENT FOR UNEMPLOYMENT BENEFITS

The State of Missouri, as a governmental entity, is required to pay contributions to the Division of Employment Security as specified by law so that unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The State of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2009 Governor's Recommendations

- \$632 State Facility Maintenance and Operation Fund for increased costs to the state for unemployment benefits due to pay plan for staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$21,094) transferred to various departments for contractual services.

MISSOURI CONSOLIDATED HEALTH CARE PLAN

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2009 Governor's Recommendations

- \$25,777,343 for other post employment benefits, including \$17,013,046 general revenue.
- \$17,758,786 for increased costs to the state for medical benefits due to pay plan, including \$11,494,853 general revenue.
- \$5,021,020 for new staff statewide, including \$4,746,907 general revenue.
- \$39,600 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from the Department of Corrections to the Office of Administration, Facilities Management, Design and Construction.
- (\$5,898,118) core reduction from the Fiscal Year 2008 appropriation level, including (\$2,650,690) general revenue.
- (\$2,157,052) transferred to various departments for contractual services.

FRINGE BENEFITS

WORKERS' COMPENSATION

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. The payment of Workers' Compensation benefits for all state employees, excluding the Department of Transportation, the Missouri State Highway Patrol, and the University of Missouri system, is covered under this program and is administered by the Office of Administration's Division of General Services. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance, Financial Institutions and Professional Registration and the Division of Workers' Compensation.

Fiscal Year 2009 Governor's Recommendations

- \$245,467 for new staff statewide.
- (\$102,096) transferred to various departments for contractual services.

OTHER EMPLOYER DISBURSEMENTS

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by the employees.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section has been added to ensure that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.